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Atari Online News, Etc.
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->From the Editor's Keyboard "Saying it like it is!"
"*****"

I have very little to say this week. As I thought, the president had to pull a few aces out of his sleeve to win the last debate, and he did. After the first debate, and a debacle for the president, you just knew that he'd come out swinging. No surprises. It appears that the first and third debates will be turning points for both candidates. It's only a few weeks until election time, and the race has certainly become a down-to-the-wire event!

Until next time...

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->In This Week's Gaming Section - Call of Duty Vita Dev Exits Boxed Game Business!
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->A-ONE's Game Console Industry News - The Latest Gaming News!
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Call of Duty Vita Dev Exits Boxed Game Business

Call of Duty: Black Ops Declassified developer Nihilistic Software has announced plans to exit the boxed game business. As revealed in a post on Twitter, the company is sad to announce Nihilistic will be exiting boxed game development & re-forming as new company for digital/online.

A statement on Nihilistic's official site reveals that the company will now

be called nStigate, a new company focused on downloadable, on-line, and mobile games. The statement specifically says that it is making this transition without any planned layoffs or leaving any debts behind and can be read in full below:

There s no bigger clichØ in the videogame industry right now than to say that a studio is re-organizing itself away from retail game development and toward the new challenges of downloadable and mobile games. Everyone knows retail sales are down, publishers are hurting, independent developers are suffering, blah blah blah. With this in mind, Nihilistic is announcing today that (OMG!) we are re-organizing our company after 14 years of working with retail boxed game development, and re-forming as nStigate Games, a new company focused on downloadable, on-line, and mobile games.

So is this newsworthy? Well, honestly it probably isn t, except that we are making this transition without any planned layoffs or leaving any debts behind. Nihilistic will fade into the sunset the way it started; a collaboration of talented folks dedicated to transparency and respect for employees. Over the next couple months we ll get leaner as some of our talent finds new homes, and emerge as a smaller and more focused company.

The future for nStigate is yet to be written, but the history of Nihilistic is coming to a close. We thank all the people who have worked here over the last 14 years. It s been a privilege and a joy to serve our players for the past years. We love what we do, and we love it when you guys like it. Thank you for playing.

In a separate Tweet, Nihilistic writes that "Our re-org has no effect on current projects as the transition will be relatively gradual between now and December."

Nihilistic most recently developed Call of Duty: Black Ops Declassified for Vita, which is scheduled to be released in November. Prior to that, the studio developed Resistance: Burning Skies for Vita and PlayStation Move Heroes for PlayStation 3, as well as Marvel Nemesis: Rise of the Imperfects for GameCube, PSP, the original Xbox and PlayStation 2.

We ve reached out to Sony and Activision about whether or not this will affect the release timing of Call of Duty: Black Ops Declassified or its planned Vita bundle and will update with any additional statement we receive.

Valve Seeking Hardware, Software Beta Testers

Valve has released a survey on its site seeking playtesters for hardware and software. In an announcement on the Steam forums, Valve s Burton Johnsey writes that the company is looking for folks to come to Valve and playtest both released and unreleased versions of our games as well as play around with some of our hardware prototypes.

Johnsey notes that most sessions last around an hour and that Valve is looking for people close to its Washington headquarters in the Seattle/Bellevue area. He notes that people in other areas are welcome to fill out the survey as we may have plans for remote playtests in the future, though a later forum post adds We are looking to add international support in the future. For now though, playtesting will be

US only.

Previously, Valve said that a hardware beta could come as soon as next year, though specific details haven't been released. Valve has conducted several high-profile beta tests recently, including tests for its Big Picture mode, its new Community features and Steam for Linux.

While Valve s hardware plans have been discussed a lot lately, it s not clear what unreleased versions of its games the post is referring to. Could it finally be Half-Life 3 ?

We'll have to wait to find out, but if you're interested in becoming a Valve playtester, you can take the Valve Playtester Survey on the company's official site.

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->A-ONE Gaming Online      -          Online Users Growl & Purr!
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Atari 2600 Console Celebrates 35th Birthday

The early gamer became one because of the Atari 2600. When we say early, we mean really early. In 1972, the home console burst onto the scene with pong, and helped kick off the home gaming market.

October 14th was the 35th birthday of the legendary game console. So, in honor of its 35th, Yahoo's Plugged In blog dug up 35 facts about the system. Below is a run-down of these facts:

1. It almost belonged to Magnavox.

Had things worked out a bit differently, we'd be talking about the 36th birthday of the Magnavox 2600. An earlier settlement between Atari and Magnavox over Pong gave Magnavox the rights to anything Atari produced for one year, so Atari held the system back from 1976 to 1977 to keep it their own. Good idea.

2. It was first the VCS.

The Atari 2600 wasn't the system's original name. When it hit shelves, it was called the Atari VCS (short for Video Computer System). It wasn't until 1982 that it was given its now famous moniker.

3. Stellaaaaa!

Actually, before it hit shelves, the Atari 2600 had another name: "Stella." The project's codename was named after one of the engineers' bicycles, and is currently the name of a widely downloaded Atari 2600 emulator.

4. It was kind of expensive.

The initial price for the system was \$200. That might seem like a pittance, but in 1977 that was the equivalent of \$775 today. And you thought Sony's initial PlayStation 3 pricing was insane.

5. It owes its success to Space Invaders.

While porting arcade games to home consoles would eventually become everyday business, it was unheard of in 1979. A year later, the Atari 2600 featured a port of Space Invaders, considered the first home console 'killer app,' turning the system into a must-have and ultimately grossing over \$100 million.

6. But it owes even more to Rick Mauer.

Who? The guy who programmed Space Invaders for the Atari 2600, that's who. Despite how big of a hit the game turned out to be, Mauer is rumored to have received just \$11,000 for his work. He never programmed another game for Atari.

7. It's a Hall of Famer.

In 2007, the Atari 2600 was inducted into the National Toy Hall of Fame. It's one of just 46 toys to hold that honor. Nintendo's Game Boy is the only other video game system there.

8. Its famous creator didn't actually create it.

Most gamers associate Atari co-founder Nolan Bushnell with everything Atari, but it turns out he wasn't responsible for the 2600's development. Engineers Steve Mayer and Larry Emmons, who ran a think tank called Cyan Engineering, came up with the idea.

9. It led to Bushnell's departure.

Atari's sale to Warner Communications in 1976 was done expressly to raise the capital to finish production on the 2600. A year after the system's release, culture clashes between Bushnell and Warner execs reached a point where Bushnell opted to leave the company.

10. It was almost a Disney product.

Warner wasn't Atari's first choice for an investor, though. Both MCA and Disney were approached first, but declined.

11. Now in stereo!

The sound itself might have only been a bunch of bleeps and bloops, but in its original design, the 2600 had two speakers in the top deck to offer stereo sound to players.

12. Heavy Sixers.

The first versions of the 2600 to ship were called "Heavy Sixers," so named because of a thicker plastic case and the six switches on the front. Geeky band name, anyone?

13. It wasn't an immediate hit.

The first truly popular home console wasn't all that popular when it first came out. In fact, it only sold 250,000 units during its first year.

14. It was a label snob.

As was the case with many 2600 games, Space Invaders 2600 was released with four different labels: Red, Silver, Picture, and Text. Today, the picture version is the most desired by collectors.

15. Sears sold their own version.

Couldn't get your hands on an Atari 2600 in 1978? Sears had you covered with the Sears Video Arcade System, a white-label version of Atari's console. It wasn't a shameless rip-off, however -- a full partnership with Atari gave Sears the right to sell the newly branded machine in order to increase exposure.

16. It wasn't cheap to build.

It might not seem like much by today's standards, but the Atari 2600 cost \$100 million to develop.

17. It held the first Easter Egg.

The 2600 game Adventure has gaming's first Easter Egg. Developer Warren Robinett, frustrated with the company's policy of not crediting workers, put a message reading "Created by Warren Robinett" in a secret room in the game, but didn't tell a single co-worker.

18. It stuck around longer than you think.

Most gamers assume the Atari 2600 completely died out alongside the video game crash of 1983, but the system secretly hung around for much longer. In fact, the last game released for the system in the U.S., the aptly-titled Secret Quest, came out in 1989.

19. Its biggest game was a coin-op classic.

Space Invaders might have been the first killer app for the 2600, but its biggest seller was another arcade blockbuster: Pac-Man, which sold 7 million copies.

20. Speech! Speech!

Believe it or not, two Atari 2600 games could actually pull off digitized speech: Quadrun and Open Sesame. Though neither were big hits, they were programming wonders considering the power limitations of the console.

21. Attack of the clones.

As the 2600 took off, countless clone machines emerged. One of the strangest was from Columbia House Record Club called the Columbia Home Arcade. Only sold to members of the club's mailing list, it's a serious collector's item.

22. It supported the 99%.

Or one of its games did, at least. Tax Avoiders, a 1982 game for the system that revolved around a millionaire dodging the IRS, was written by a former IRS agent.

23. It had lots of games.

Most gamers can only name a handful of 2600 games, but by the time the system was replaced, more than 400 games had been made for it. That might seem negligible by today's standards, but it blew its competition out of the water. Only about 150 games were made for Mattel's Intellivision.

24. It was buried by ET.

Atari paid \$21 million to license the video game rights to E.T. That proved disastrous, as the lousy game wound up contributing to the Video Game Crash of 1983. Most of the resulting games are buried in a desert today.

25. It could go online.

The Sega Dreamcast might have been the first game console to popularize online play, but way back in the early 80s, a fledgling company called CVC released the GameLine for the Atari. The chunky cartridge could connect to servers over phone lines and players could download games to play on their console. It was way ahead of its time, though sadly the GameLine would fade into obscurity after the company folded in 1983.

26. Some of its games are worth a fortune.

The rarest game for the Atari 2600 is Air Raid. Only 13 copies are known to exist today, and they're worth as much as \$31,000 each.

27. It took part in the soda wars.

Coca-Cola commissioned a 2600 game from Atari called "Pepsi Invaders" that was given exclusively to its Atlanta employees. The Space Invaders clone let players shoot the letters "P E P S I" rather than aliens. It's worth a good \$2,000 these days.

28. It had a light gun.

Think the whole light gun thing started with the Nintendo Zapper for the NES? Think again. The 2600 had a light gun controller as well, but only one game *Sentinel* used it.

29. You could play Atari 2600 games on the Intellivision II.

In a twist unheard of in today's console wars, Intellivision released the 'System Changer' adapter for the Intellivision II system that would let games play Atari cartridges on their rig. That's like Sony releasing an Xbox 360 adapter. Heresy!

30. Who you gonna call? Not the Ghostbusters II.

Though Activision released a pretty awesome Ghostbusters 2600 game, the company chose not to release 1989's Ghostbusters II in the U.S. due to the system's waning popularity. Instead, it was exclusively released in Europe. Licensing issues have kept it from appearing in any anthologies, sadly.

31. It featured the power of Chuck Norris.

Action movie star and internet sensation Chuck Norris starred in a game for the system, though it didn't turn out so hot. Released in 1983, Chuck Norris Superkicks was forced to change its name to Kung Fu Superkicks after the license to use Norris' name expired.

32. It had the first movie licensed game ever.

Few action films are released these days without video game tie-ins. That all started with the Atari 2600 and Raiders of the Lost Ark, which let players try to dig up the Ark while dodging thieves, avoiding tsetse flies and struggling with bad controls.

33. It helped Jack Black get his start.

Atari loved using celebs in their advertising campaigns, but little did they know they'd feature one of today's biggest stars when they cast a then-unknown kid named Jack Black to don a pith helmet and pimp Pitfall.

34. It had a few games for adults only.

While Atari hoped to bill the 2600 as a family system ("Have you played Atari today?"), developer Mystique drew a line in the sand by making adult/pornographic games for the 2600, including Custer's Last Stand, widely viewed as the most offensive game of all time.

35. It had a fraction of a fraction of a fraction of the RAM powering your phone.

While today's systems launch with bleeding-edge computing power, the Atari 2600 has just 128 bytes of RAM. That's bytes, not kilobytes. Comparatively, an iPhone 5 sports 1 GB RAM.

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A-ONE's Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

Draft Order Would Give Companies Cyberthreat Info

A new White House executive order would direct U.S. spy agencies to share the latest intelligence about cyberthreats with companies operating electric grids, water plants, railroads and other vital industries to help protect them from electronic attacks, according to a copy obtained by The Associated Press.

The seven-page draft order, which is being finalized, takes shape as the Obama administration expresses growing concern that Iran could be the first country to use cyberterrorism against the United States. The military is ready to retaliate if the U.S. is hit by cyberweapons, Defense Secretary Leon Panetta said. But the U.S. also is poorly prepared to prevent such an attack, which could damage or knock out critical services that are part of everyday life.

The White House declined to say when the president will sign the order.

The draft order would put the Department of Homeland Security in charge of

organizing an information-sharing network that rapidly distributes sanitized summaries of top-secret intelligence reports about known cyberthreats that identify a specific target. With these warnings, known as tear lines, the owners and operators of essential U.S. businesses would be better able to block potential attackers from gaining access to their computer systems.

An organized, broad-based approach for sharing cyberthreat information gathered by the government is widely viewed as essential for any plan to protect U.S. computer networks from foreign nations, terrorist groups and hackers. Existing efforts to exchange information are narrowly focused on specific industries, such as the finance sector, and have had varying degrees of success.

Yet the order has generated stiff opposition from Republicans on Capitol Hill who view it as a unilateral move that bypasses the legislative authority held by Congress.

Administration officials said the order became necessary after Congress failed this summer to pass cybersecurity legislation, leaving critical infrastructure companies vulnerable to a serious and growing threat. Conflicting bills passed separately by the House and Senate included information-sharing provisions. But efforts to get a final measure through both chambers collapsed over the GOP's concerns that the Senate bill would expand the federal government's regulatory power and increase costs for businesses.

The White House has acknowledged that an order from the president, while legally binding, is not enough. Legislation is needed to make other changes to improve the country's digital defenses. An executive order, for example, cannot offer a company protection from liabilities that might result from a cyberattack on its systems.

The addition of the information-sharing provisions is the most significant change to an earlier draft of the order completed in late August. The new draft, which is not dated, retains a section that requires Homeland Security to identify the vital systems that, if hit by cyberattack, could "reasonably result in a debilitating impact" on national and economic security. Other sections establish a program to encourage companies to adopt voluntary security standards and direct federal agencies to determine whether existing cyber security regulations are adequate.

The draft order directs the department to work with the Pentagon, the National Security Agency, the director of national intelligence and the Justice Department to quickly establish the information-sharing mechanism. Selected employees at critical infrastructure companies would receive security clearances allowing them to receive the information, according to the document. Federal agencies would be required to assess whether the order raises any privacy or civil liberties risks.

To foster a two-way exchange of information, the government would ask businesses to tell the government about cyberthreats or cyberattacks. There would be no requirement to do so.

The NSA has been sharing cyberthreat information on a limited basis with companies that conduct business with the Defense Department. These companies work with sensitive data about weapon systems and technologies and are frequently the targets of cyberspying.

But the loss of valuable information has been eclipsed by fears that an

enemy with the proper know-how could cause havoc by sending the computers controlling critical infrastructure systems incorrect commands or infecting them with malicious software. Potential nightmare scenarios include high-speed trains being put on collision courses, blackouts that last days or perhaps even weeks or chemical plants that inadvertently release deadly gases.

Panetta underscored the looming dangers during a speech last week in New York by pointing to the Shamoon virus that destroyed thousands of computer systems owned by Persian Gulf oil and gas companies. Shamoon, which spreads quickly through networked computers and ultimately wipes out files by overwriting them, hit the Saudi Arabian state oil company Aramco and Qatari natural gas producer RasGas.

Panetta did not directly connect Iran to the Aramco and RasGas attacks. But U.S. officials believe hackers based in Iran were behind them.

Shamoon replaced files at Aramco with the image of a burning U.S. flag and rendered more than 30,000 computers useless, Panetta said. The attack on RasGas was similar, he said.

A spokeswoman for the National Security Council, Caitlin Hayden, said the administration is consulting with members of Congress and the private sector as the order is being drafted. But she provided no information on when an order would be signed. "Given the gravity of the threats we face in cyberspace, we want to get this right in addition to getting it done swiftly," she said.

White House Review Finds No Evidence of Spying by Huawei

A White House-ordered review of security risks posed by suppliers to U.S. telecommunications companies found no clear evidence that Huawei Technologies Ltd had spied for China, two people familiar with the probe told Reuters.

Instead, those leading the 18-month review concluded early this year that relying on Huawei, the world's second-largest maker of networking gear, was risky for other reasons, such as the presence of vulnerabilities that hackers could exploit.

These previously unreported findings support parts of a landmark U.S. congressional report last week that warned against allowing Chinese companies Huawei and ZTE Corp to supply critical telecom infrastructure.

But it may douse speculation that Huawei has been caught spying for China.

Some questions remain unanswered. For example, it is unclear if security vulnerabilities found in Huawei equipment were placed there deliberately. It is also not clear whether any critical new intelligence emerged after the inquiry ended.

Aided by intelligence agencies and other departments, those conducting the largely classified White House inquiry delved into reports of suspicious activity and asked detailed questions of nearly 1,000 telecom equipment buyers, according to the people familiar with the probe.

"We knew certain parts of government really wanted" evidence of active

spying, said one of the people, who requested anonymity. "We would have found it if it were there."

White House National Security Council spokeswoman Caitlin Hayden declined to comment on the review. A spokesman for Huawei said the company was not familiar with the review but it was not surprised that no evidence of Huawei espionage was found.

Last week's report from the Republican and Democratic leaders of the House Intelligence Committee noted the potential for spying through Huawei gear installed to manage traffic on wireless networks. The committee also criticized Huawei's leadership for failing to provide details about its relationships with Chinese government agencies.

Huawei, whose chief executive officer, Ren Zhengfei, founded it 25 years ago after he was laid off by the Chinese army, has rejected the House report as unfair and inaccurate. China's Commerce Ministry has also called the accusations "groundless."

"Huawei is a \$32 billion independent multinational that would not jeopardize its success or the integrity of its customers' networks for any government or third party. Ever," the company's U.S. spokesman Bill Plummer said on Wednesday.

The House Intelligence Committee's report did not present concrete evidence that either Huawei or ZTE have stolen U.S. data, although it said a classified annex provided "significantly more information adding to the committee's concerns" about the risk to the United States.

Speculation has swirled about the contents of the secret annex, and both committee Chairman Mike Rogers and some intelligence officials have hinted at evidence that Huawei has participated in espionage.

Rogers, the report's lead author, stoked concerns by saying some customers had seen routers sending off "very valuable data" to China.

But in the one case a committee staff member pointed out to Reuters, the victim - Leap Wireless International Inc - said that while some of its computers were infected with viruses earlier this year, an investigation found no evidence that the infection was deliberate or that confidential data had been stolen.

Pressed about why the White House review and unclassified version of the House Intelligence Committee report had not turned up a "smoking gun," two officials familiar with intelligence assessments said U.S. agencies were most concerned about the capability for future spying or sabotage.

Similarly, Chris Johnson, a former CIA analyst on China, said he had been told that the White House review had come up empty on past malicious acts. Nonetheless, officials emerged from the review with "a general sense of foreboding" about what would happen if China asked Huawei for assistance in gathering intelligence from U.S. customers, he said.

"If the Chinese government approached them, why would they say no, given their system?" Johnson said.

Preventing state spying through technology is a high priority for U.S. President Barack Obama's administration, which is lobbying for legislation to raise private-sector security standards and readying a more limited executive order along those lines.

Reuters interviews with more than a dozen current and former U.S. government officials and contractors found nearly unanimous agreement that Huawei's equipment poses risks: The company could send software updates that siphon off vast amounts of communications data or shut them down in times of conflict.

More than anything else, cyber experts complained about what they said was poor programming that left Huawei equipment more open than that of rivals to hacking by government agents or third parties.

"We found it riddled with holes," said one of the people familiar with the White House review.

At a conference in Kuala Lumpur last week, Felix Lindner, a leading expert in network equipment security, said he had discovered multiple vulnerabilities in Huawei's routers.

"I'd say it was five times easier to find one in a Huawei router than in a Cisco one," Lindner said.

Lindner, who spent months investigating Huawei code, said the vulnerabilities appeared to be the result of sloppy coding and poor procedures, rather than any deliberate attempt at espionage. Huawei is looking into his findings, he said.

Some in the U.S. government, however, have said the alleged poor security practices at Huawei could be a deliberate cover for future attacks.

One computer scientist, who helped conduct classified U.S. government research on Huawei routers and switches four to six years ago, told Reuters that he had found "back doors" that his team believed were inserted with care.

He said these back doors could enable attackers to install malicious software that would make critical government networks inoperable, allow hackers to gain entry into highly classified systems and enable them to spy on all traffic. He requested anonymity because he was not authorized to discuss the research.

Huawei has denied the existence of these back doors. Plummer also noted that any vendor's gear could be targeted by hackers, and the company would address any vulnerabilities it finds.

The United States' closest allies have rendered a split verdict on Huawei. Earlier this year, Australia barred Huawei from becoming a contractor on the country's National Broadband Network, and Canada said last week that Huawei could not bid to help build a secure national network. In Britain, however, a spokesman for the Cabinet Office said Huawei's products were fully vetted and did not represent a security concern.

Dutch Ruppertsberger, the ranking Democrat on the House Intelligence Committee and co-author of the report, told Reuters that the burden of proof had been on Huawei and ZTE, which cited Chinese government restrictions in limiting their responses.

"China has the means, opportunity, and motive to use telecommunications companies for malicious purposes," Ruppertsberger said.

Republican Rogers' staff did not respond to questions about the contents

of the classified annex or the White House review.

Apple Drops Java After Experts Warn Mac Users on Its Security

Apple Inc is removing old versions of Oracle Corp's Java software from Internet browsers on the computers of its customers when they install the latest update to its Mac operating system.

Apple, which has previously included Java with installations of Mac OS X, announced the move on its support site. It said that customers need to obtain Java directly from Oracle if they want to access web content written the widely used programming language.

Apple did not provide a reason for the change and both companies declined to comment.

Java is a computer language that enables programmers to write one set of code to run on virtually any type of machine. It is widely used on the Internet so that Web developers can make their sites accessible from multiple browsers running on Macs or Microsoft Windows PCs.

Two years ago both companies said they had agreed that Apple would one day stop providing Java software to Mac customers and that would Oracle to take on that responsibility. They did not provide a date for that transition.

Apple is implementing that change in the wake of a Java security scare that prompted some security experts to caution computer users to only use Java on an as-needed basis.

Security experts in Europe discovered Java bugs in late August that hackers had exploited to launch attacks. It took Oracle several days to release an update to Java to correct those flaws.

Adam Gowdiak, a researcher with Polish security firm Security Explorations, said on Friday that he has since found two new security bugs in Java that continue to make computers vulnerable to attack.

Gowdiak said that removing Java from Mac browsers reduces the risks of an attack.

Canada Ups Cyber Security Spending As China Worry Rises

Canada said on Wednesday it will beef up spending on defenses against Internet hackers as it grapples with reports of Chinese hacking of Canadian companies and a U.S. warning of the risks of Chinese cyber espionage.

The Conservative government will spend an additional C\$155 million (\$158 million) over five years on strengthening its response center for dealing with cyber threats in the private sector as well as boosting the security of the government's own communications, Public Safety Minister Vic Toews said.

The announcement came less than a month after Toews' department acknowledged a pair of cyber attacks on a Canadian energy company and on a manufacturer of software used by energy firms. The government declined to comment on reports that suggested a Chinese connection.

A U.S. congressional report last week warned of the risks of doing business with Chinese telecom equipment makers Huawei Technologies Co Ltd. and ZTE Corp because of possible Chinese cyber espionage.

"Keeping our cyber networks and infrastructure secure and resilient is one of the most challenging issues facing our government, our citizens and our allies," Toews told a news conference at a technical college in Ottawa.

"I can assure you that our government is fully engaged in meeting and overcoming this challenge."

Declining to name China or any company, Toews said his announcement was partly in response to concerns that have been raised, but also part of a broader strategy laid out two years ago to try to make Canada's cyber infrastructure safe.

The focus on China has come at an awkward time for Chinese state-owned CNOOC Ltd, whose \$15.1 billion bid to buy Canadian oil producer Nexen Inc. needs Canadian government approval.

Toews said strengthening the provisions of Investment Canada Act, which governs foreign takeovers of Canada companies, may be a possibility.

"This is a constant struggle because of the nature of technology and how quickly technology is evolving, so we are certainly looking at all possibilities when we look to further buttress our secure mechanisms," he said.

He said all industrialized nations must face the dangers posed by hackers.

U.S. Defense Secretary Leon Panetta warned last week of the potential of a "cyber Pearl Harbor," in which cyber attacks would be launched on critical or military infrastructure, possibly in combination with a physical attack.

"I don't know if he has overstated it," Toews said of Panetta's comments, "but certainly there is a risk to cyber security. Cyber security is something that every developed nation has to be worried about given the nature of technology and the rapid change of technology."

Toews refused to confirm that Huawei will be excluded from taking part in building a new secure network for government communications, saying that at this time there was nothing to announce in that respect.

A spokesman for Prime Minister Stephen Harper said last week that the government had invoked a national security exception that allows it to prevent risky companies from participating in the building of the secure government network, and he said he would leave it to reporters to judge if Huawei should be allowed to take part.

The new government funding announced on Wednesday is on top of a previous allocation of C\$90 million over five years.

After Lawsuit Threat, Twitter To Pull Racist Posts

Twitter agreed to pull racist and anti-Semitic tweets under a pair of French hash tags after a Jewish group threatened to sue the social network for running afoul of national laws against hate speech, the organization said. The decision came a day after Twitter bowed to German law and blocked an account of a banned neo-Nazi group there.

The freewheeling social network is increasingly running up against European anti-discrimination laws, many of which date to the aftermath of the Holocaust by governments that acknowledged the contribution of years of hate speech to the Nazi attempt to annihilate the Jews. Friday's action, which was not carried out immediately, could mark a new stage for the company that has famously refused efforts to police its millions of users.

But it's not entirely clear how the social network planned to carry out the agreement or in what timeframe.

"Twitter does not mediate content," the company said in a statement. "If we are alerted to content that may be in violation of our terms of service, we will investigate each report and respond according to the policies and procedures outlined in our support pages."

The company's policies require international users to comply with local laws regarding online conduct and acceptable content. They also ban any content with direct threats of violence.

The French Union of Jewish Students, which planned to supply Twitter with a list of the offensive tweets to be pulled, said it would still file a formal complaint against the social network to bring the tweeters to justice. The union held a conference call Thursday night with Twitter executives in California.

The anti-Semitic tweets in French, which started Oct. 10, included slurs and photos evoking the Holocaust, including one of a pile of ash and another of an emaciated Holocaust victim. They were followed by offensive, anti-Muslim tweets.

On Thursday, Twitter blocked the neo-Nazi's account in Germany, although its tweets were still visible to any user whose settings include a different location. The French-language tweets came from hundreds of users, not all of them necessarily in France.

Almost immediately after the French group announced its agreement with Twitter, tweets went up against what some users saw as an attack on freedom of expression all using the hash tag that started the wave of racist posts on Oct. 10.

Elie Petit, vice president of the group, dismissed the criticism: "I don't think a call for murder is freedom of expression," he said.

French law forbids all discrimination based on ethnicity, nationality, race or religion.

German law is more specific. Because of its Nazi past, the country has strict laws prohibiting the use of related symbols and slogans like the display of the swastika, or saying "heil Hitler."

Emma Llanso of the Washington-based Center for Democracy and Technology, said the French case appears to be far less clear-cut than the German one. In Germany, she said, there was a specific request from a government body under a specific law. In France, it was essentially a private group threatening a lawsuit.

Ultimately, Llanso said, "how are users supposed to know what kind of content is or isn't allowed on the service?"

"If Twitter seems to be stepping back in its support of free expression, it might find itself under more pressure" from other governments, she said.

After the decision in Germany on Thursday, Twitter's general counsel Alex Macgillivray said in a tweet that the site's administrators "never want to withhold content, good to have tools to do it narrowly and transparently."

In a statement, Jonathan Hayoun, the French group's president, said it wasn't trying to be the "garbage collectors of the Internet." But, he added, "Twitter can't be a place of illegal expression."

Early Look at Windows 8 Baffles Consumers

The release of Microsoft's Windows 8 operating system is a week away, and consumers are in for a shock. Windows, used in one form or another for a generation, is getting a completely different look that will force users to learn new ways to get things done.

Microsoft is making a radical break with the past to stay relevant in a world where smartphones and tablets have eroded the three-decade dominance of the personal computer. Windows 8 is supposed to tie together Microsoft's PC, tablet and phone software with one look. But judging by the reactions of some people who have tried the PC version, it's a move that risks confusing and alienating customers.

Tony Roos, an American missionary in Paris, installed a free preview version of Windows 8 on his aging laptop to see if Microsoft's new operating system would make the PC faster and more responsive. It didn't, he said, and he quickly learned that working with the new software requires tossing out a lot of what he knows about Windows.

"It was very difficult to get used to," he said. "I have an 8-year-old and a 10-year-old, and they never got used to it. They were like, 'We're just going to use Mom's computer.'"

Windows 8 is the biggest revision of Microsoft Corp.'s operating system since it introduced Windows 95 amid great fanfare 17 years ago. Ultimately, Windows grew into a \$14 billion a year business and helped make former Chief Executive Bill Gates the richest man in the world for a time. Now, due to smartphones and tablets, the personal computer industry is slumping. Computer companies are desperate for something that will get sales growing again. PC sales are expected to shrink this year for the first time since 2001, according to IHS iSuppli, a market research firm.

The question is whether the new version, which can be run on tablets and smartphones, along with the traditional PC, can satisfy the needs of both

types of users.

"I am very worried that Microsoft may be about to shoot itself in the foot spectacularly," said Michael Mace, the CEO of Silicon Valley software startup Cera Technology and a former Apple employee. Windows 8 is so different, he said, that many Windows users who aren't technophiles will feel lost, he said.

Microsoft is releasing Windows 8 on Oct. 26, and it doesn't plan to cushion the impact. Computer companies will make Windows 8 standard on practically all PCs that are sold to consumers.

Speaking to Wall Street analysts on Thursday, Microsoft's chief financial officer Peter Klein said he isn't very concerned that user confusion could slow the adoption of Windows 8. When Microsoft introduces new features, he said, people eventually realize that "those innovations have delivered way more value, way more productivity and way better usability." That's going to be true of Windows 8 too, he said.

Instead of the familiar Start menu and icons, Windows 8 displays applications as a colorful array of tiles, which can feature updated information from the applications. For instance, the "Photos" tile shows an image from the user's collection, and the "People" tile shows images from the user's social-media contacts. (Microsoft is licensed to use AP content in the Windows 8 news applications.)

The tiles are big and easy to hit with a finger convenient for a touch screen. Applications fill the whole screen by default convenient for a tablet screen, which is usually smaller than a PC's. The little buttons that surround Windows 7 applications, for functions like controlling the speaker volume, are hidden, giving a clean, uncluttered view. When you need those little buttons, you can bring them out, but users have to figure out on their own how to do it.

"In the quest for simplicity, they sacrificed obviousness," said Sebastiaan de With, an interface designer and the chief creative officer at app developer DoubleTwist in San Francisco.

Technology blogger Chris Pirillo posted a YouTube video of his father using a preview version of Windows 8 for the first time. As the elder Pirillo tours the operating system with no help from his son, he blunders into the old "Desktop" environment and can't figure out how to get back to the Start tiles. (Hint: Move the mouse cursor into the top right corner of the screen, then swipe down to the "Start" button that appears, and click it. On a touch screen, swipe a finger in from the right edge of the screen to reveal the Start button.) The four-minute video has been viewed more than 1.1 million times since it was posted in March.

"There are many things that are hidden," said Raluca Budiu, a user experience specialist with Nielsen Norman Group. "Once users discover them, they have to remember where they are. People will have to work hard and use this system on a regular basis."

Mace, the software CEO, has used every version of Windows since version 2.0, which came out in 1987. Each one, he said, built upon the previous one. Users didn't need to toss out their old ways of doing things when new software came along. Windows 8 ditches that tradition of continuity, he said.

"Most Windows users don't view their PCs as being broken to begin with. If

you tell them 'Oh, here's a new version of Windows, and you have to relearn everything to use it,' how many normal users are going to want to do that?" he asked.

The familiar Windows Desktop is still available through one of the tiles, and most programs will open up in that environment. But since the Start button is gone, users will have to flip back and forth between the desktop and the tile screen.

There's additional potential for confusion because there's one version of Windows 8, called "Windows RT," that looks like the PC version but doesn't run regular Windows programs. It's intended for tablets and lightweight tablet-laptop hybrids.

Budiu believes the transition to Windows 8 will be most difficult for PC users, because Microsoft's design choices favor touch screens rather than mice and keyboards. Alex Wukovich, a Londoner who tried Windows 8 on a friend's laptop, agrees.

"On a desktop, it just felt really weird," he said. "It feels like it's a tablet operating system that Microsoft managed to twist and shoehorn onto a desktop."

Not everyone who has tried Windows 8 agrees with the critics.

Sheldon Skaggs, a Web developer in Charlotte, N.C., thought he was going to hate Windows 8, but he needed to do something to speed up his 5-year-old laptop. So he installed the new software.

"After a bit of a learning curve and playing around with it a bit more, you get used to it, surprisingly," he said.

The computer now boots up faster than it did with Windows Vista, he said.

Vista was Microsoft's most recent operating-system flop. It was seen as so clunky and buggy when released in 2007 that many PC users sat out the upgrade cycle and waited for Windows 7, which arrived two and a half years later. Companies and other institutions wait much longer than consumers to upgrade their software, and many will keep paying for Windows 7. Many companies are still using Windows XP, released in 2001.

Colin Gillis, an analyst at BGC Financial, is optimistic about Windows 8, pointing out that it's snappy and runs well on PCs with limited processing power, making it suited for compact, tablet-style machines. But he also notes that through Microsoft's history, roughly every other operating-system release has been a letdown.

Intel Corp. makes the processors that go into 80 percent of PCs, and has a strong interest in the success of Windows. CEO Paul Otellini said Tuesday that when the company has let consumers try Windows 8 on expensive "ultrabook" laptops with touch screens, "the feedback is universally positive." But he told analysts that he doesn't really know if people will embrace Windows 8 for mainstream PCs.

"We'll know a lot more about this 90 days from now," he said.

Google was scheduled to post third quarter earnings after the bell on Thursday, but unexpectedly they were released around 12:31 PM in New York, revealing a big miss on profit. The company also missed expectations on revenue.

The company founded by Larry Page and Sergey Brin earned \$9.03 per share in the third quarter, well below the consensus estimate that called for an EPS of \$10.63; GAAP EPS came in at \$6.53.

Search giant Google also missed its revenue number, which came in at \$11.3 billion, excluding traffic acquisition costs, according to TradeTheNews.com. Wall Street expected Google to deliver \$11.9 billion in sales. Consolidated revenues grew 45% to \$14.1 billion.

Google blamed financial printer RR Donnelley for filing a draft 8K earnings statement without authorization. A spokesperson for Google told Forbes that they had ceased trading on the Nasdaq exchange until they finalize their release; they are scheduled to hold a conference call after the bell. The SEC declined to comment, noting they don't comment on individual companies' earnings releases.

RR Donnelley issued a statement saying they are fully engaged in conducting an investigation to determine how this event took place.

Paid clicks increased 33% year-over-year, while cost per click fell 15%. Google's international revenue hit \$6.1 billion, representing 53% of total revenue, compared with 54% in the second quarter.

Google-owned web site advertising revenues grew 15% to \$7.7 billion. The all-important traffic acquisition cost (TAC) number ticked up to \$2.77 billion, from \$2.2 billion.

The company reported that its cash stock pile had reached \$45.7 billion.

Google's early earnings didn't reveal anything about its Android operating system, nor about its Nexus tablets, with which it's looking to compete with Apple on the mobile and tablet space. Google did note its revenues from Motorola were \$2.58 billion, or 18% of consolidated revenues.

Toward the top of the page one can read the phrase "Pending Larry Quote," which suggests the release wasn't finalized at the time of publishing.

Nasdaq's trading halts page indicates it's a T1 halt, which means trading is halted pending the release of material news, and not because circuit breakers were triggered.

This isn't the first time companies have seen their financial results released during the trading session. In 2010, Disney's earnings were posted ahead of time, while last year Microsoft's financials were unveiled by a real-time fact aggregation company, Selerity. At the time, Ryan Terpstra, CEO of Selerity, managed to get the document by essentially guessing the URL of the page on which Microsoft would post its earnings. In Google's case, the release appeared on the Securities and Exchange Commission's website.

The stock tanked in the aftermath of the early release and was then halted by the exchanges. By 12:50 PM in New York, Google had fallen 9% to \$687.30. By 2:18 PM, the stock was still halted.

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